

DOCKET FILE COPY ORIGINAL



IROQUOIS WEST COMMUNITY UNIT SCHOOL DISTRICT #10

Leo Sherman, Superintendent • 529 East Second St. • P.O. Box 67 • Gilman, Illinois 60938
 Unit Office • Phone 815-265-4642 • Facsimile 815-265-7008 • shermanl@iwest.k12.il.us
 District Web Site: www.iwest.k12.il.us#10

Letter of Appeal

Universal Service "E-Rate" Program; CC Docket Nos. 96-45 and 97-21

Federal Communications Commission
 Office of the Secretary
 445 - 12th Street, SW
 Washington, DC 20554

RECEIVED & INSPECTED

JUN 19 2003

FCC - MAILROOM

School / Applicant Name:

Scott J. Oyer, Director of Technology
 Iroquois West School District 10
 529 E. 2nd St.
 Gilman, IL 60638
 Phone: (815) 265-4642
 Fax: (815) 265-7008

Entity Number: 135804

District Contact: Scott J. Oyer

471 APPLICATION NUMBER: 343292

NOTICE OF FUNDING YEAR 2003 -- FUNDING REQUEST NUMBER: 924840

DECISION: COMPLETE DENIAL EXPLANATION: 30% OR MORE INELIGIBLE

This submission is to appeal the SLD's May 1, 2003 determination that Iroquois West School District 10 has been totally denied funding for funding request 924840 -- telecommunications services with vendor Verizon North -- due to the SLD's determination that 30% or more of the request was unsubstantiated and thereby ineligible per program rules.

We believe that the determination was in error, not justified by the facts in the case per our initial 471 application and the subsequent information faxed to the SLD. Moreover, we believe that the SLD's policy of denying the entire funding request -- even when the majority of the application is clearly valid -- sets a very negative direction for the program, one which, ultimately, denies the applicant funds on eligible services.

We ask that the FCC remand this decision back to the SLD with the direction to recalculate the funding request based on the evidence herein -- without regard to the 30% ineligible threshold -- and allow Iroquois West's funding request reviewed on its merits; and, ultimately, have a new, revised funding request issued to them for the eligible portion of their request. In sum, we submit that the funding request should be reduced accordingly, not denied in whole as was the case here.

Lower Elem. School
 Vicki Kilias, Prin.
 303 North Evergreen
 Onarga, IL 60955
 815-268-4355
kiliasv@iwest.k12.il.us

Middle School
 Vicki Kilias, Prin.
 303 North Evergreen
 Onarga, IL 60955
 815-268-4355
kiliasv@iwest.k12.il.us

Upper Elem. School
 Mary Peters, Prin.
 P.O. Box 99
 Shawville, IL 60968
 217-387-2291
petersm@iwest.k12.il.us

Gilman Elem. School
 Andrew Larson, Prin.
 215 East Second
 P.O. Box 67
 Gilman, IL 60938
 815-265-7631
larsona@iwest.k12.il.us

Danforth Elem. School
 Andrew Larson, Prin.
 P.O. Box 155
 Danforth, IL 60921
 815-269-2730

No. of Copies Rec'd
 List ABCDE

2

We believe that a decision based on our appeal here is in line with the rules and intent of the program: assures that schools will receive their appropriate amount of e-rate discounts; and because of inherent checks in the program's application and review process prior to actual disbursement of funds, will not result in additional waste, fraud and abuse.

Facts of the Case:

The Iroquois West School District's (Iroquois) 471 application # 343292 was submitted on 08/08/2003, with an allowable contract date from the enabling 470 of 12/17/2002. The application included a funding request #924840 which was for tariffed telecommunications services from Verizon-North at an average cost of \$341.00 per month, or \$4092.00 a year.

Subsequent to the application, discussions were held by SLD reviewers and Iroquois staff to gather further information on the application. In its response, Iroquois staff acknowledged to the reviewer that an error had been made – in one of the months used to calculate the original \$341.00 monthly amount on the 471, a past due amount of \$52.84 was inadvertently added to one of the bills. Iroquois submitted the information (attached as Exhibit A) of three months of bills and agreed that the change should be made to reflect the original \$341.00 minus \$52.84 or \$288.16 per month, presumably leaving 84.5% of the request as substantiated.

On or about May 5, 2003, Iroquois received its Funding Commitment Decision Letter (FCDL). This letter denied the entire request with the explanation that read: "30% or more of this ERN includes a request for unsubstantiated basic phone charges which are ineligible per program rules." In its review, the SLD dropped the allowable amount even further, down to an average of \$230.08 per month, or \$2761.44 per year. The total reduction by Iroquois and SLD staff amounted to \$110.92 per month, or 32.5% of the original \$341.00 request, presumably now leaving 67.5% of the request as valid, and 32.5% as ineligible and/or in error. Since this new, revised amount was above the 30% ineligible amount, and with the new interpretation of the rules by the SLD, the entire request was denied. Past practice by SLD staff would have been to reduce the amount to the \$2761.44 level and allow the funding request to move forward instead of a blanket denial.

Discussion:

Proper Notice